

File

THE PRESIDENT'S INTELLIGENCE REVIEW

**ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY**

22 - 24 JULY 1964
TOP SECRET

1. South Vietnam: A new crisis has bubbled up in South Vietnam.

In the wake of recent Viet Cong successes, General Khanh's position has been a bit shaky.

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As we go to press, the situation in Saigon is highly fluid, but Khanh, [redacted]

[redacted] seems still in control.

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2. France: In his latest well-staged audience with the press, De Gaulle this week dwelt mainly on "what an independent European policy could and should be."

Europe, he proclaimed, must play a greatly expanded role in the Atlantic alliance and in world affairs generally. He apparently intends to take initiatives which other Europeans will feel obliged to support. The German Government has already reacted unfavorably.

He called for a "Geneva" conference on all of Indochina among the major powers directly concerned "in the past and present fate" of Vietnam. This way of putting it doubtless pleased Peiping. We note that this formulation also enables De Gaulle to include France as well.

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Given the state of the French budget, it seems to us unlikely that he actually means to follow through on his grandiose proposals for an expanded aid program for all of Indo-china.

3. Laos: Neutralist forces are now deployed for Operation Triangle.

Backbiting and incessant maneuvering continue to mark the rivalries between rightist and neutralist leaders, but Souvanna seems to be on top of the situation. [REDACTED]

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The long-discussed talks among the three main factions may be delayed indefinitely, as the Pathet Lao have turned down Souvanna's suggestion that the meeting be held in New Delhi.

4. Cyprus: [REDACTED]

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5. Italy: Moro's new cabinet is virtually the same as before. This could mean his position is stronger than it seemed earlier, notwithstanding the hostility toward him on the part of Fanfani and others in his own party.

However, there is still no evidence of any real agreement among party leaders on the issues, and the odds are not good for Moro's long survival.

For The President Only - Top Secret

6. Congo: Tshombé is on a tour of dissident areas in the eastern part of the country, making a personal effort to win over tribal and other local leaders.

Even as he has been talking, rebel bands have occupied Kindu, the capital of Maniema Province, which is only four hours by road from Stanleyville. The government has also lost more ground in North Katanga.

7. Singapore: The racial violence of the past several days is likely to persist.

The Indonesians are not known to be directly involved, but their anti-Malaysia propaganda during the past several months stirred up Malay extremists.

The situation is a plus for Sukarno, as well as the Chinese Communists. So far, there have been no repercussions in Malaya.

The Indonesians

are still training Overseas Chinese from the Malay Peninsula and have every intention of sending them back onto the peninsula to set up "guerrilla pockets."

8. USSR-Indonesia

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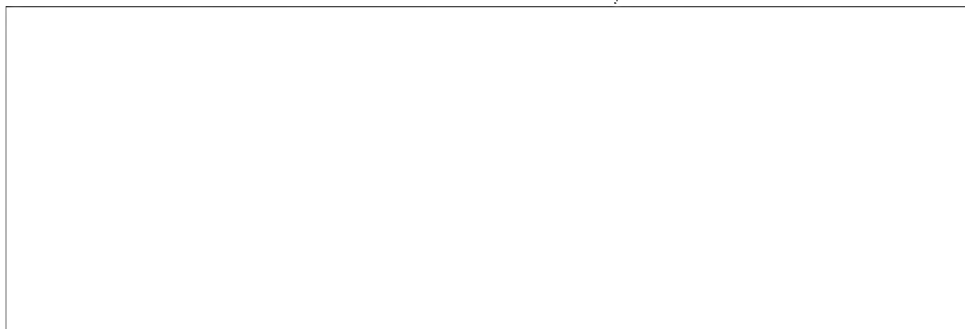
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9. Cuba: President Dorticos has taken on the two top economic jobs in the regime in the latest of a series of moves aimed at bringing some order out of the confusion.

He is to be minister of economy and director of the central economic planning board.

As president, Dorticos has had prestige, and perhaps some influence, but he has been essentially a figurehead. Even if Fidel now gives him real authority, it appears to us that the problems of the Cuban economy are bigger than he is.

10. Haiti: Duvalier, tormented by an inability to bring the rebels to bay, apparently has developed exaggerated ideas about their numbers and prowess.



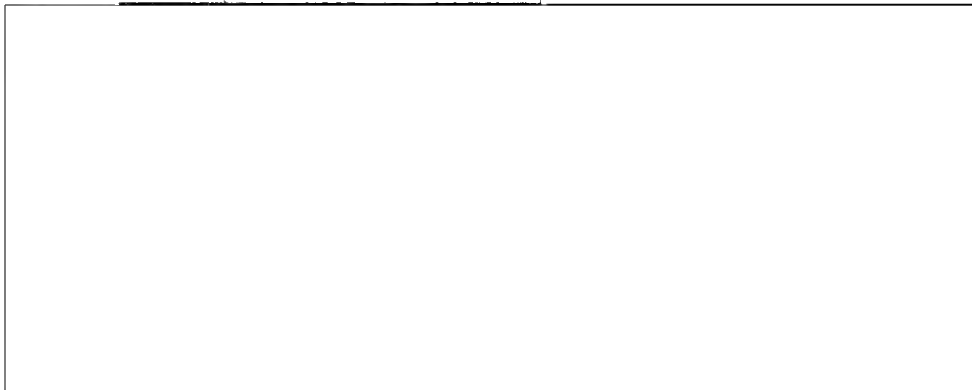
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He blames most of his troubles on the US and threatens to close down our embassy once the rebels are beaten.



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11. Saudi Arabia - Yemen

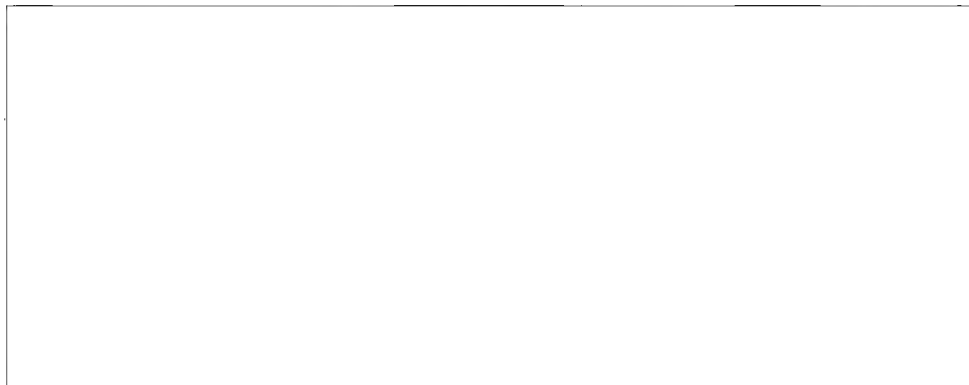


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Husayn has issued a royal decree recognizing the Yemeni Republic. This is another step in the growing rapprochement between Husayn and Nasir

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12. USSR: Our analysis of Moscow's mid-year economic report indicates that the Soviet economic performance in the second quarter was worse than in the mediocre first quarter.

One trouble, which the economic bosses have not yet solved, are the distortions which the high priorities given the chemical industry and agriculture have introduced.

13. Brazil: As expected, the extension of Castello Branco's term of office to March 1967 brought only minor outcries, most notably from Carlos Lacerda, a putative candidate. In general the step seems to have been favorably received by the public.

14. Cambodia: The UN mission will recommend demarcation of the Cambodian - South Vietnamese border and the stationing of a UN observation team on the Cambodian side.

We think this will draw a Soviet or French veto and get little support from U Thant, who is chary of getting the UN more involved in Southeast Asia.

Sihanouk has returned home from Paris, spouting praise of France and its offers of military and economic aid.

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Burundi:

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TOP SECRET

USSR: Both packages from Keyhole Mission 1008, 11-13 July, have now been examined. Results are sparse because of extensive cloud cover.

Two new missile launch facilities have been turned up, however, which may shed new light on the state of the Soviet air defense program.

One, in the early stage of construction, is at Cherepovets, about 200 miles north of Moscow. The other lies just to the west of Tallinn, Estonia.

Both have important similarities to a test area at Sary Shagan and to the facility northwest of Leningrad which had been suspected of being designed for an ABM role.

No new starts on ICBM launchers were noted. The photography also disclosed that construction work has stopped on six SS-7 hard launchers at the Gladkaya complex.

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